



BEFORE
THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION
LUCKNOW

PRESENT:

1. Hon'ble Shri Raj Pratap Singh, Chairman
2. Hon'ble Shri Kaushal Kishore Sharma, Member
3. Hon'ble Shri Vinod Kumar Srivastava, Member

In matter of:

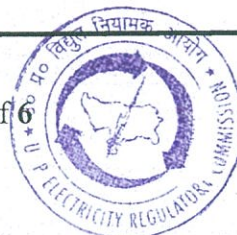
Suo-moto Proceedings regarding meeting RPO targets by obligated entities.

Respondents

1. Managing Director, UP Power Corporation Ltd. 7th floor, Shakti Bhawan, 14, Ashok Marg, Lucknow.
2. Managing Director, Madhyanchal Vidyut Vitran Nigam Ltd., 4 Gokhale Marg, Lucknow
3. Managing Director, Purvanchal Vidyut Vitran Nigam Ltd., Purvanchal Vidyut Bhawan, P.O Vidyut Nagar, DLW, Varanasi.
4. Managing Director, Paschimanchal Vidyut Vitran Nigam Limited., Victoria Park, Meerut.
5. Managing Director, Dakshinanchal Vidyut Vitran Nigam Limited., Urja Bhawan, 220, KV Up-Sansthan Bypass Road, Agra-282007.
6. Managing Director, Kanpur Electricity Supply Co.Ltd., Civil Lines, KESA House, Kanpur.
7. Managing Director & CEO, Noida Power Company Ltd., Commercial Complex H-Block, Alpha Sector II Greater Noida- 201308.
8. The Director, Uttar Pradesh New and Renewable Energy Development Agency (UPNEDA), Vibhuti Khand, Gomti Nagar, Lucknow.

Present in the hearing:

1. Shri S. K. Sinha, CE, PPA, UPPCL
2. Shri Mahendra Singh, SE, UPPCL
3. Shri Saurabh, Consultant, UPPCL
4. Shri C. P. Maurya, AE, PPA, UPPCL
5. Shri C.S.B. Ambedkar EE, KESCo
6. Shri A.K. Arora, Resident Manager, NPCL
7. Shri Sanket Srivastava, Manager, NPCL



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ORDER

(Date of Hearing 13.12.2019)

1. Sh. S.K. Sinha, CE, PPA, UPPCL on behalf of UPPCL submitted that pursuant to the directions of the Commission, UPPCL has consulted the officers of the Commission and rectified the deficiencies in the data as highlighted and vide letter dated 03.12.2019 submitted the revised data for the consideration of the Commission. UPPCL therefore proposes to meet the backlog RPO without any distinction in the periods (2010-11 to 2014-15 and 2015-16 to 2018-19) to which the same pertains i.e. the entire backlog upto 2018-19 will be met in the coming years.
2. Further, Sh. S.K. Sinha, submitted that the solar RPO backlog upto 2018-19 stands at 3,721 MUs and for non-solar, the same is at 7,189 MUs. Based on the power purchase agreements tied up till date, UPPCL expects to meet the entire solar backlog RPO by the end of 2021-22 and the non-solar RPO by mid of 2021-22. Further, the backlog of HPO of 1,319 MUs, expected to be accrued from 2019-20 to 2021-22 will also be set-off by the excess non-solar RPO available by 2021-22. The shortfall of account of HPO and solar shall be met by the non-solar purchases as fungibility is allowed in the Regulations. The entire details in a tabular form are depicted herein below:

Table 1: Roadmap to meet backlog from 2015-16 to 2018-19 (MUs)

FY	Deficit (-) /Surplus(+) in Non-solar	Deficit (-) /Surplus(+) in HPO	Total Deficit (-) /Surplus(+) in Non-solar + HPO	Deficit (-) /Surplus(+) in solar
2019-20	2,290	459	2749	791
2020-21	3,465	-480	2985	1,524
2021-22	5,224	-1,297	3927	1,389
Total available Deficit (-)/Surplus(+) [A]			9661	3704
Backlog of 2010-11 to 2018-19 [B]			-7189	-3721
Deficit (-)/Surplus(+) available at the end of 2021-22[C= A+B]			2472	-17





3. Sh. S.K. Sinha submitted that UPPCL has taken concerted steps towards fulfilment of RPO in the forthcoming years. Despite severe unavailability of RE resources in the state, the Petitioner has depicted its keenness to adhere with the intent of Electricity Act and the directions of the Commission, by executing several PPAs for inter-state RE power. A snapshot of capacity executed depicting the focussed efforts of UPPCL is presented below in table 2. Therefore, UPPCL requested the Commission to carry forward the past obligation of non-compliance till FY 2021-22.

Table 2: RE power tied up capacity (MW) from 2017 onwards

S.No.	RE source	Capacity tied up from around 2017 onwards (MW)
1	Non solar	2,726
2	Solar	3,147
3	Large Hydro	1,594
	Total	7,466

4. The Commission noted that Regulations 7 and 8 of Uttar Pradesh Electricity Regulatory Commission (Promotion of Green Energy through Renewable Purchase Obligation) Regulations, 2010 as amended from time to time provides as follows:

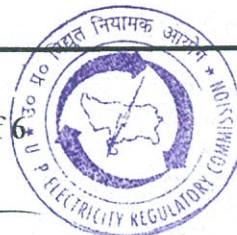
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7 RPO Regulatory Fund

*If the obligated entity does not fulfill its commitment towards minimum purchase from renewable energy sources during any year as provided in these regulations, the Commission may direct the obligated entity to deposit into a separate fund such amount as the Commission may determine on the basis of the shortfall in units of renewable purchase obligation, RPO Regulatory Charges and the forbearance price. For this purpose, a fund shall be created and maintained by such obligated entity in accordance **with the procedure as referred to in clause 8.2:***

Provided that RPO Regulatory Charges shall be equivalent to the applicable floor prices of Solar and Non-Solar RECs or any other rate as may be stipulated by the Commission:

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Provided further that the RPO Regulatory Fund so created shall be utilised, as may be directed by the Commission, for purchase of the certificates or may be provided to UPNEDA and/or any other Govt agency notified by the Government of Uttar Pradesh, for development of transmission and distribution infrastructure in the State related to generating stations based on renewable energy sources or in any other manner as may be provided by the Commission.”

8.2 *The State Agency shall discharge its functions in accordance with the procedure laid down under these regulations:*

Provided that the State Agency shall develop and submit within sixty days of issue of these regulations the draft procedure for approval of the Commission:

Provided further that nothing in these regulations bar the Commission from issuing the procedure on its own motion, by general or special order as it considers appropriate, in consultation with the State Agency and other stakeholders in case the State Agency fails to submit the draft procedure or in view of special circumstances for which the reasons shall be recorded in writing.

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5. The Commission after considering the submission made by the Petitioner is of the view that as per the Regulation 7 and 8 of the Uttar Pradesh Electricity Regulatory Commission (Promotion of Green Energy through Renewable Purchase Obligation) Regulations, 2010 as amended from time to time, a fund is to be created and maintained by such obligated entity as per the procedure developed by the State Agency. Further, If the obligated entity does not fulfil its commitment towards minimum purchase from renewable energy sources during any year, the Commission may direct the obligated entity to deposit into the fund such amount as the Commission may determine on the basis of the shortfall in units of





renewable purchase obligation, RPO Regulatory Charges equivalent to the applicable floor prices of Solar and Non-Solar RECs or any other rate as may be stipulated by the Commission.

6. It is pertinent to mention that the State Agency has yet not developed any procedure for creation of the fund and therefore the fund has not been created. Thus, in line with the spirit of the Regulations, the Commission in exercise of the powers conferred under Regulation 18 & 19 of Uttar Pradesh Electricity Regulatory Commission (Promotion of Green Energy through Renewable Purchase Obligation) Regulations, 2010 and in order to meet the ends of justice directs UPPCL to create a sperate account at the earliest and deposit the amount equivalent to the product of respective shortfall in units of solar and non – solar purchase obligation till FY 2019-20 as per the roadmap submitted and corresponding rate @ Re. 1.00/- per unit. Accordingly, the amount is computed as follows:-

Solar Shortfall (in Mus)	Non – Solar Shortfall (in Mus)	Amount on account of solar shortfall @ Re 1.00/ unit (in Rs. Crores)	Amount on account of non-solar shortfall @ Re 1.00/ unit (in Rs. Crores)	Total amount to be deposited in the account (in Rs. Crores)
2,930.33	4,440.79	293.03	444.08	737.11

7. The amount of Rs. 737.11 Crores shall be deposited in four instalments (i.e 1/4th of total fund amount be transferred in each months of Dec. 2019, Jan. 2020, Feb. 2020 & March 2020). The amount so deposited shall be used to procure respective RE power as per roadmap given by UPPCL. i.e. amount deposited on account of shortfall under solar purchase to be utilised for Solar procurement and non-solar for non-solar. The Compliance shall be submitted to the Commission and the Commission from time to time may make such orders as may deem fit.

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8. Sh. S.K. Sinha further submitted that Commission vide its Order dated 19.08.2019, had observed that UPPCL has not complied with the directions issues by the Commission as there were discrepancies in the submission made by UPPCL and decided to impose personal penalty of Rs. 10,000 on him. Sh. S.K. Sinha requested to the Commission to waive off the personal penalty as concerted steps have been taken to fulfil the RPO and efforts has been made to comply with the directions of the Commission. Sh. S.K Sinha vide letter dated 13.12.2019 submitted an apology before the Commission and prayed to waive off the personal penalty of Rs.10,000/-.
9. The Commission in view of the efforts made by Sh. S.K. Sinha and his apology, decides to waive off the personal penalty of Rs. 10,000/- imposed on Sh. S.K. Sinha.

Ordered Accordingly

(Vinod Kumar Srivastava)
Member

(Kaushal Kishore Sharma)
Member

(Raj Pratap Singh)
Chairman

Place: Lucknow
Dated: 30.12.2019

